PS LA 2008/2 - Forestry managed investment schemes (MIS)

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Practice Statement Law Administration

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This practice statement is issued under the authority of the Commissioner of Taxation and must be read in conjunction with Law Administration Practice Statement PS LA 1998/1. It must be followed by Tax Office staff unless doing so creates unintended consequences or is considered incorrect. Where this occurs Tax Office staff must follow their business line's escalation process.

SUBJECT: **Forestry managed investment schemes (MIS)**

PURPOSE: **To provide instruction and practical guidance to staff on the application of Division 394 of the *Income Tax Assessment Act 1997***

Table of contents **Paragraph**

1. All legislative references in this practice statement are to the *Income Tax Assessment Act 1997* (ITAA 1997) unless otherwise stated.

DEFINITIONS

2. A ‘forestry managed investment scheme’ (forestry MIS) is a scheme that has the purpose of establishing and tending trees for felling in Australia, as defined in subsection 394-15(1).

3. A ‘forestry manager’ is the entity that manages, arranges or promotes a forestry MIS, as defined in subsection 394-15(2).

4. A ‘participant’ is an entity that holds a forestry interest in a forestry MIS, as defined in subsection 394-15(4).

5. An ‘initial participant’ is one who obtains their interest in the manner described in subsection 394-15(5).

6. A ‘contractor’ refers to a third party with whom the forestry manager contracts for the provision of goods, services or use of land for the purpose of establishing and tending trees for felling in Australia.

7. ‘DFE’ refers to ‘direct forestry expenditure’ as defined in section 394-45.

8. The ’70 per cent DFE rule’ in respect of a forestry MIS refers to the test set out in section 394-35.

9. The ’18 month establishment rule’ in respect of a forestry MIS refers to the test set out in subsection 394-10(4).

10. An ‘initial contributions’ notification form is an approved form required to be submitted by the forestry manager about initial contributions to the scheme under section 394-5 of Schedule 1 to the *Taxation Administration Act 1953* (TAA).

11. A ‘failure to establish’ notification form is an approved form required to be submitted by the forestry manager about the 18 month establishment rule under section 394-10 of Schedule 1 to the TAA.

12. Net Present Value or ‘NPV’ refers to the calculations converting past and future costs into today’s dollars as required by section 394-35.

13. ‘Participant contributions’ are payments under a forestry MIS made by a participant to a scheme manager, other than those excluded by section 394-40.

14. ‘Test time’ for the ’70 per cent DFE rule’ is 30 June in the income year in which a participant in the scheme first pays an amount under the scheme.

15. The ‘four year holding period’ refers to the period discussed in paragraphs 103 to 107 of this practice statement.

BACKGROUND

16. Division 394 applies to contributions made to qualifying forestry MIS from 1 July 2007. As per section 394-5 its object is to ‘encourage the expansion of commercial plantation forestry in Australia through the establishment and tending of new plantations for felling’.

17. This Division allows initial participants in forestry MIS to claim a tax deduction equal to 100 per cent of the contributions made under the scheme, provided that certain conditions within Division 394 are satisfied. These conditions include:

- existence of a reasonable expectation (calculated on a NPV basis) that at least 70 per cent of participant contributions will be spent on DFE
- the use of market value rules for DFE amounts where the forestry manager and another party to the transaction do not deal at arm's length
- the scheme meeting the 18 month establishment rule, and
- initial participants meeting the 4 year holding period.

18. Section 15-46 requires contributions to forestry MIS to be returned as assessable income by the forestry manager who receives them in the same income year in which the deduction is first available to be claimed by the participant.

SCOPE

19. This practice statement provides guidance to staff on the requirements and responsibilities of forestry managers under Division 394 in operating a forestry MIS for initial participants.

20. Division 394 allows for secondary market trading of forestry MIS interests. However, product rulings for forestry MIS only apply to initial participants. Participants who purchase an interest from an initial participant (that is secondary investors) are outside the scope of this practice statement.

21. To provide direction and give guidance to staff in approaches to be taken in performing duties regarding the operation of Division 394, this practice statement provides the necessary discussion of the law contained in this Division.[1]

22. The scope of this practice statement does not extend to the deferral of losses from non-commercial business activities and the Commissioner's discretion under Division 35.[2]

23. The Capital Gains Tax (CGT) small business concessions available under Division 152 are also not within the scope of this practice statement.

STATEMENT

24. Staff dealing with product ruling applications in relation to Division 394 should consider whether:

- the product ruling application is properly completed and all required documents relating to the forestry MIS scheme are attached (refer to paragraphs 28 to 34 of this practice statement)
- the 70 per cent DFE rule will be satisfied at test time in relation to actual or projected items of DFE and projected participant payments over the life of the project (refer to paragraphs 36 to 73 of this practice statement)

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[1] Legislated by Schedule 8 of *Tax Laws Amendment (2007 Measures No. 3) Act 2007*.

[2] See Taxation Rulings TR 2001/14, TR 2003/3 and TR 2007/6 for the appropriate information on the operation of Division 35.

- the arm's length pricing rule has been properly applied in determining the applicable costs for items of DFE (refer to paragraphs 74 to 76 of this practice statement)
- the NPV calculations in the product ruling application are correct (refer to paragraphs 77 to 87 of this practice statement), and
- the forestry MIS is capable of meeting the 18 month establishment rule (refer to paragraphs 91 to 96 of this practice statement).

25. Staff must also consider the 18 month establishment rule:
    - where a 'failure to establish' notification form is received from the forestry manager under section 394-10 of Schedule 1 to the TAA, or
    - where the forestry project otherwise fails to meet the 18 month establishment rule (refer paragraphs 97-102).

26. Staff may also be required to examine the 'initial contributions' notification form received from the forestry manager under section 394-5 of Schedule 1 to the TAA (refer to paragraphs 108 and 109 of this practice statement).

27. Staff should ensure that any product rulings issued in respect of Division 394 include information about record keeping requirements for both forestry managers and initial participants, as well as a statement that the ruling does not apply to secondary investors.

Completeness of application

28. The Commissioner requires a product ruling applicant to provide information and documentation that is sufficient to determine the application. The general requirements in respect of applications for product rulings are set out in Product Ruling PR 2007/71.

29. The Commissioner's information and documentation requirements for product ruling applications are set out in the Application Checklist. The Application Checklist (referred to in PR 2007/71) will be changed from time to time to address any challenges, emerging trends, or unanticipated issues arising from the ongoing administration of Division 394.

30. Where expert information is available,[3] staff should require this information to be provided to verify key assumptions and estimates made by forestry managers in the product ruling application including:
    - forestry expert reports to verify the nature, extent and timing of proposed forestry activities
    - forestry expert reports to determine the suitability of land and type of trees to be planted in relation to the establishment of the forest
    - valuation expert reports to verify the cost of activities and value of assets for the purposes of DFE calculations
    - copies of letters of engagement for each such expert, plus client instructions and assumptions and information used in preparing the relevant reports, and
    - statements indicating the qualifications of each such expert, relating their area of expertise to the report provided.

[3] See paragraphs 115 and 120 of this practice statement.

31. Staff must require the product ruling applicant to provide sufficient documentation[4] to support claims for amounts included in the numerator (DFE) and denominator (participant contributions) of the 70 per cent DFE rule calculation. Where the information provided is insufficient for this purpose, staff should seek additional details from the applicant, including provision of expert information where that has not been provided.

32. Staff should be aware that section 394-40 excludes certain payments by initial participants from the denominator in the 70 per cent DFE rule calculation.

33. Staff monitoring forestry MIS may need to consider the potential application of the promoter penalty laws under Division 290 of Schedule 1 of the TAA. Forestry MIS that have been issued with a product ruling may be subject to these laws when the scheme is implemented in a materially different way to that described in the product ruling, including where the 18 month establishment rule is not met.

34. In relation to the promoter penalty laws the note to subsection 290-50(2) of Schedule 1 to the TAA states:

> A scheme will not have been implemented in a way that is materially different from that described in a product ruling if the tax outcome for participants in the scheme is the same as that described in the ruling.

EXPLANATION

35. The conditions in section 394-10 must be satisfied for a participant in a forestry MIS to qualify for the deduction in respect of their contributions paid under the forestry MIS. These conditions include:

- a reasonable expectation at test time that the forestry manager will spend at least 70 per cent of participant contributions on DFE during the life of the project (refer to paragraphs 36 to 87 of this practice statement for further details on the 70 per cent DFE rule)
- the trees intended to be established in accordance with the scheme are established within 18 months of the end of the income year in which the first payment is made under the forestry MIS by the participant (refer to paragraphs 91 to 102 of this practice statement for further details on the 18 month establishment rule)
- the participant is an initial participant, and
- the interest is held under the scheme for four years from the end of the income year in which they first paid an amount under the scheme (refer to paragraphs 103 to 107 of this practice statement for further details on the four year holding rule).

[4] Documentation refers to material which provides evidence for the basis of the amount of each element included in the calculation.

The 70 per cent DFE rule – overview

36. Paragraph 8.36 of the Explanatory Memorandum (EM)[5] considers the 70 per cent DFE rule that is contained in section 394-35. To ensure that most of the funds contributed by participants are spent on activities directly related to establishing, tending, felling and harvesting trees, it states that the forestry manager of the scheme must ensure that no less than 70 per cent is spent on DFE at test time.

37. This rule embodies an objective test of what is a reasonable expectation that 70 per cent of payments under the scheme will be expended on DFE over the life of the project, using an NPV calculation for past and future expenditure.

38. DFE includes actual and notional amounts that are attributable to establishing, tending, felling and harvesting of trees (see subsection 394-45(1)). Certain amounts are expressly excluded from the definition of DFE by subsections 394-45(3) and (4). As outlined in subsections 394-45(3) and (4) there are some exceptions to these exclusions (for example, some transport costs, overheads directly related to forestry). The 70 per cent DFE rule calculation is:

NPV of DFE/NPV of participant contributions ≥ 70 per cent.

39. Section 394-40 also lists payments by a participant which are excluded from the definition of payments under a forestry MIS. These payments, such as borrowing costs, may be relevant to other parts of the ITAA 1997. These payments are not relevant to the 70 per cent DFE rule calculation.

40. *Example 1*

The following example, which is based on scenario 1 in Example 8.6 in the EM, provides guidance to staff on how to calculate the 70 per cent DFE rule.

In year 1 a participant acquires a one hectare interest in a 10 year plantation for $10,000 and holds their interest until harvest. Also in year 1, the forestry manager pays $8,000 in DFE and there are no further anticipated or actual expenses or participant contributions over the life of the project.

The 70 per cent DFE rule is passed as:

8,000 / 10,000 = 80%

Reasonable expectation[6]

41. Subsection 394-35(1) provides that the forestry manager must be able to demonstrate a reasonable expectation of meeting the 70 per cent DFE rule over the life of the project. The standard of what is reasonable is objective, but applies to both objective and subjective knowledge of the forestry manager.

[5] Tax Laws Amendment (2007 Measures No. 3) Bill 2007, Explanatory Memorandum to the Tax Laws Amendment (2007 Measures No. 3) Bill 2007.

[6] Refer to paragraphs 112 to 115 of this practice statement for documentation requirements.

42. The term ‘reasonable’ is not defined in the ITAA 1997 and therefore takes its ordinary meaning. The ordinary meaning of reasonable has been considered by the Commissioner on a number of occasions including Goods and Services Taxation Ruling GSTR 2000/7 in paragraphs 19 and 20 and 37 to 46, Taxation Ruling TR 94/4 in paragraphs 6 and 13 and paragraphs 46 to 49 of Law Administration Practice Statement PS LA 2006/2. Consistent with those approaches and as noted in paragraph 8.38 of the EM the objective standard is that of a reasonable person standing in the shoes of the forestry manager; that is whether there is about an even chance that a reasonable person would expect that the project will achieve a 70 per cent DFE ratio.

43. In applying the objective standard, the forestry manager is treated as having all of the information that a reasonable person would require in order to make a reasonable estimate of the DFE over the term of the project. The forestry manager must have taken the steps that a reasonable person would have taken at the time to obtain sufficient information of the forestry industry and the relevant costs of carrying out the services for such a project.

44. This knowledge covers relevant actual facts known by the relevant forestry manager about the project and the industry, which must be taken into account in carrying out the test for their particular scheme, even where those facts would not have been available generally.

45. The deduction for the participant contributions under the scheme is available if there is a reasonable expectation at test time that the MIS’s total DFE will not be less than 70 per cent of the total payments made under the MIS.

46. Where it is found that a reasonable expectation did not exist at test time, any participant contributions will not be deductible, subject to the general period of review of assessment rules.

47. *Example 2*

The following example is based on an aspect of Example 8.3 in the EM and provides guidance to staff as to when a forestry MIS will satisfy the reasonable expectation test.

In the first year of a 10 year blue gum project, the forestry manager has a reasonable expectation that the proportion of DFE under the scheme will be 75 per cent. This expectation is based on the forestry manager’s knowledge of the relevant technology and prevailing economic conditions.

The forestry manager estimated that the cost of felling and loading the plantation in 10 years time in NPV terms will be $4,000 per hectare. This estimate is based on reports obtained from independent experts in the methods of felling blue gum trees in the region the plantation is located.

Subsequent technological advances in the methods of felling that were not reasonably foreseeable when the project was planted result in the cost of felling being reduced by 25 per cent to $3,000 per hectare. This means that the actual DFE on the project during its life would be below 70 per cent of total fees charged to participants. The forestry manager became aware of this in year 8 of the project.

The forestry manager could not have been expected to foresee such a technological advancement at the time of making the estimate. Therefore, the reasonable expectation test was met at the time of the estimate.

48. *Example 3*

The following example is based on an aspect of Example 8.3 in the EM and provides guidance to staff as to when a forestry manager will fail the reasonable expectation test.

A forestry manager's estimated labour cost for a project is based on the future value of current costs of similar size projects, including labour cost for pest control.

During the three years prior to the commencement of the project, the use of advanced methods of pest control has increased steadily from 10 per cent of industry projects to 30 per cent. Industry reports in the year before the project commenced indicate the expectation that in the next 10 years, this method would spread to all parts of the industry.

This method of pest control is actually adopted in the project from commencement and significantly reduces labour costs below that used in the estimates of DFE. A reasonable estimate of the proportion of DFE based on the reasonably expected use of the advanced pest control method would be below 70 per cent.

The forestry manager could reasonably have expected that these methods would come to be used in this project during its life and did actually expect to use them. Therefore, the reasonable expectation test was never met and the participants in the scheme were never entitled to the specific deduction of the amounts they paid under the forestry MIS.

Participant contributions

49. Payments under a forestry MIS made by a participant to a forestry manager are participant contributions. These participant contributions, calculated on a NPV basis, form the denominator in the 70 per cent DFE rule calculation.

50. For the purposes of paragraph 394-10(1)(b), 'payment' includes an amount paid at the direction of a participant in the scheme, such as a financial institution paying the scheme manager an amount as part of funding a loan to the participant.

51. Division 394 provides that the following payments are not considered to be made under a forestry MIS and are excluded from the 70 per cent DFE rule calculation:

- borrowing costs
- interest and payments in the nature of interest (such as a premium on repayment or redemption of a security, or a discount of a bill or bond)
- stamp duty
- GST
- stockpiling costs
- processing costs, and
- specified transport and handling costs.

Direct forestry expenditure (DFE)[7]

52. DFE is defined in subsection 394-45(1) as:

    (a) an amount paid under the scheme that is attributable to establishing, tending, felling and harvesting trees; and

    (b) notional amounts reflecting the market value of goods, services or the use of land, provided by the forestry manager of the scheme, for establishing, tending, felling and harvesting of trees.

53. As per section 394-45 there are also detailed exclusions to DFE and exceptions to those exclusions.

54. Where only part of an amount should be attributed to DFE, the forestry manager will be required to apportion the amount for the purpose of calculating DFE for the 70 per cent DFE rule.

55. Paragraph 8.43 of the EM explains that where expenditure is undertaken and a grant is received, then only the net expense of the scheme manager is taken into account.

Exclusions from DFE

56. Subsection 394-45(3) states that the following types of expenditure, are excluded from DFE to the extent that they relate to any of the following:

    (a) marketing of the scheme;

    Example: advertising, sales, sponsorship and entertainment

    (b) insurance, contingency funds or provisions (other than provisions for employee entitlements);

    (c) financing;

    (d) lobbying;

    (e) general business overheads (but not overheads directly related to forestry);

    (f) subscriptions to industry bodies;

    (g) commissions for financial planners or financial advisers;

    (h) compliance with requirements related to structure and operations of the forestry manager of the scheme;

    Example: product design and preparation of product disclosure statements.

    (i) supervision and auditing of contracts, other than direct supervision of direct forestry activities (such as establishing trees for felling);

    (j) legal fees relating to any matter mentioned above.

57. Subsection 394-45(4) states that the following types of expenditure, are excluded from DFE to the extent that they relate to any of the following:

    (a) Transportation and handling of felled trees that happens after the earliest of the following:

    - sale of the trees
    - arrival of the trees at the mill door
    - arrival of the trees at the port, or
    - arrival of the trees at the place of processing (other than where processing happens in-field)

[7] Refer to paragraphs 116 to 123 of this practice statement for documentation requirements.

(b) processing

(c) stockpiling (other than in-field stockpiling), and

(d) marketing and sale of forestry produce.

Amounts that are DFE

58. As they are not specifically excluded by subsections 394-45(3) or 394-45(4), the following types of expenditure are included as DFE:

- transportation and handling expenses to the first stages of milling or processing (paragraph 8.61 of EM)
- the first leg of transport after in-field chipping to a mill or wharf (paragraph 8.61 of EM)
- research and development (R&D) that is attributable to establishing, tending, felling and harvesting trees (paragraph 8.62 of EM)
- overheads directly related to forestry (paragraph 394-45(3)(e))
- provisions for employee entitlements, and (paragraph 394-45(3)(b)), and
- direct supervision of direct forestry activities (such as establishing trees for felling) (paragraph 394-45(3)(i)).

59. *Example 4*

Example 8.9 in the EM has been reproduced as it provides guidance on activities of employees that are not direct forestry activities. It states:

> Greentrees Ltd's sole business is the management of bluegum forestry projects. The costs of an employee of Greentrees Ltd who only carries out the following tasks would be regarded as corporate overheads and not included in DFE: chief executive officer, personnel manager or accounts manager.

60. *Example 5*

Example 8.10 in the EM has been reproduced as it provides guidance on the activities of employees that are direct forestry activities. It states:

> The costs of an employee who only carries out the following tasks would be included in DFE:
>
> - a 'project coordinator' who undertakes community liaison, education programmes and land purchase;
> - a 'case and systems manager' located at head office who operates Private Plantation Management Information System (PPMIS) allocations, mapping services, geology, planning applications, remote sensing and survival analysis;
> - a 'resource manager' who undertakes harvest scheduling, inventory, survival analysis, mill liaison and in-field project analysis;
> - a 'head of forestry operations' who undertakes final land approval, seedling/cutting strategy, plantation and base design and government and community liaison (noting that there is a specific exception for lobbying); and

- an 'in-field technical supply officer' who undertakes satellite operations, personal digital assistant (PDA) support, mapping and taping out and reserve monitoring.

61. *Example 6*

The following example illustrates that DFE does not include the cost of in-field chipping which is a processing cost under paragraph 394-45(4)(b).

Gum Blue Pty Ltd is an entity engaged in a forestry MIS, and according to a cost analysis done internally it is more economical for the entity to conduct initial processing of the felled trees on-site prior to transporting the trees to a mill.

While the first leg of transport is included in DFE, the costs of the 'in-field chipping' are not. This is consistent with paragraph 8.67 of the EM which provides that while the concept of harvesting is exclusive of processing, including the costs of 'in-field chipping', a forestry manager may claim costs of transport to a mill or wharf subsequent to in-field chipping (but not the costs of the chipping, or where transport is after the sale).

Apportioning DFE amounts

62. Paragraph 8.51 of the EM, explains that in determining the amount of expenditure that constitutes DFE, the forestry manager should apportion these amounts on the basis of a reasonable apportionment method to determine the extent that:

- they are attributable to establishing, tending, felling and harvesting trees on the project and excluding the extent to which:
  - the goods or services acquired have an effective life greater than the scheme they were acquired for, or
  - the goods or services acquired are utilised in multiple schemes.

63. *Example 7*

The first three scenarios are based on paragraph 8.62 and Examples 8.7 and 8.11 in the EM respectively. Together with scenario 4, they provide guidance to staff on the appropriate method of apportioning expenditure when calculating DFE.

Scenario 1: a forestry manager incurs research and development (R&D) costs that are attributable to establishing, tending, felling and harvesting trees in Australia. These R&D costs relate to multiple projects. It would therefore be permissible for the forestry manager to apportion the R&D costs on a reasonable basis, such as the proportion of the area under plantation or the value of the R&D to individual projects (verified by documentary evidence to support the area or value for each plantation).

Scenario 2: a forestry manager purchases harvesting equipment for $100,000. The equipment will be used equally on five forestry projects for the whole of the equipment's life. $20,000 is allocated to each of the five projects.

Scenario 3: an entity engaged in a forestry project employs a person to supervise its team of foresters and accounting staff. If a forestry manager includes the costs of this supervisor in the calculation of DFE for the 70 per cent rule, then it must apportion those costs (including the labour costs of employing the supervisor) between DFE and general overheads. Only the portion directly relating to supervision of the foresters is DFE. An internal report stating the intended proportion of the supervisor's time to be spent supervising the foresters is used to determine how the costs of employing the supervisor should be apportioned. Apportionment based on time spent supervising the foresters is the most appropriate method in this instance.

Scenario 4: an entity engaged in a 10 year forestry project has purchased a 10 year water licence for $10,000. The cost of the licence is in line with other licences purchased in the recent past for a similar period of time. The licence grants the entity access to 5,000 mega litres of water each year and this water will be used primarily for the forestry project (as specified within the project plan). However, the water will also be used for other non-forestry project related purposes. It would be appropriate to apportion the cost of the licence when calculating DFE based on the likely water usage of the type and number of trees in the plantation. An expert's report detailing the expected total water usage of the plantation shows that the plantation is expected to use 4,000 mega litres of water each year. Therefore, $8,000 will be set aside as DFE for the cost of purchasing the water licence.

NPV calculation – overview[8]

64. The concept of NPV is used to calculate amounts for the purposes of the 70 per cent DFE rule.

65. Where NPV of DFE under the arrangement divided by NPV of participant contributions under the arrangement is equal to or greater than 70 per cent then the scheme is a qualifying scheme. That is, as per subsection 394-35, and as outlined in paragraph 8.46 of the EM a qualifying scheme exists where:

NPV of DFE / NPV of participant contributions ≥ 70%

66. When calculating the NPV of amounts for the purposes of establishing the percentage of DFE to participant contributions, the amounts concerned may be actual or notional amounts.

Notional amounts

67. Paragraph 394-45(1)(b) provides that notional expenditure includes any notional amount calculated in respect of the use of land for establishing trees under the scheme or the notional charges for goods or services that the forestry manager provides in-house rather than purchasing the equivalent good or service from a contractor.

68. As per subsection 394-45(2) notional expenditure is to be calculated as if it were paid annually for each income year based on the market value of the goods or services provided or the use of land.

[8] Refer to paragraph 124 of this practice statement for documentation requirements.

69. As per subsection 394-45(2), the notional amount will be taken to have been paid on 1 January in an income year, unless:

- the first amount paid by a participant under the scheme occurs after the income year commences, or
- the scheme ceases before the end of the income year.

70. Paragraph 394-45(2)(b) provides that where the first amount paid by the participant under the scheme occurs after the income year commences then the notional amount is taken to have been paid on the last day of the income year.

71. Paragraph 394-45(2) provides that where the scheme ceases before the end of the income year then the notional amount is taken to have been paid on the day the scheme ceases.

Example 8

72. The following example provides guidance to staff in relation to the use of notional amounts as part of DFE calculations.

Hardywood Pty Ltd (Hardywood's) landowning division carries out an ongoing program of identifying and acquiring land that is suitable for growing hardwood eucalypts. This land is held in the company's land bank and, under a licence arrangement, made available to participants who acquire interests in forestry MIS promoted by Hardywood's.

Participants who acquire an interest in Hardywood's forestry MIS are charged an annual fee for the land being made available for growing the eucalypts during the term of the forestry MIS. The fee that each participant pays is based on the number of forestry interests held as a proportion of all interests in the scheme. There is not an actual amount paid for the land as Hardywood's owns the land made available to the scheme participants.

The company engages a qualified land valuer who provides written advice that, having regard to a range of factors, if the land was leased from an independent third party, the company would pay an average of $200 per hectare to the entities who owned the land.

Section 394-45 provides that this amount can be used as the basis of determining the notional amount for the use of land in the DFE calculation for the project.

73. *Example 9*

The following example provides further guidance to staff in relation to the use of notional amounts as part of DFE calculations.

Hugetree Pty Ltd is an integrated forester that has been engaged in forestry in its own right for over 50 years and has extensive tracts of its own trees, expert knowledge, its own nursery and a highly qualified workforce. The company's expertise and workforce is made available to the forestry MIS, as necessary, to provide tree seedlings and carry out the pre-planting, establishment, maintenance and harvesting services over the term of the scheme.

The actual costs associated with providing the seedlings and the establishment services to the participants in the forestry managed investment scheme is minimal due to economies of scale achieved by using the company's own expertise and existing workforce.

Hugetree Pty Ltd is aware that most other promoters of forestry MIS engage independent third party contractors to provide seedlings and establishment services. The company obtains a written opinion from an independent expert that the average cost per hectare for these services on similar land is $1,900 per hectare.

Section 394-45 provides that this amount can be used as the basis of determining the notional cost of establishment in the calculation of DFE for the project.

Market value substitution rule – arm's length expenditure[9]

74. In line with subsection 394-35(8) in determining the amount of DFE, the market value of the good or service purchased by the forestry manager is to be substituted for the price actually paid where:

- the transaction is not at arm's length, and
- the amount paid is or will be more or less than the market value of what it is for.

75. The concept of arm's length has been discussed at length in other documents, particularly in the context of international transfer pricing. Staff should refer to Chapter 2 of Taxation Ruling TR 97/20 for the discussion on the key concepts of the arm's length principle, and to Chapter 3 of Taxation Ruling TR 97/20 for discussion on the accepted methods used to test compliance with the arm's length principle.

Example 10

76. The following example is based on Example 8.8 in the EM and provides guidance to staff on how the market value substitution rule operates.

Treeteak Pty Ltd, a company which manages a forestry MIS based in north-western Western Australia, decides to purchase teak seedlings from Unique Treeteak Ltd (UTL), a wholly-owned subsidiary, for $10,000. UTL is one of a number of suppliers of teak seedlings in Australia.

Investigation of receipts of recent sales of teak seedlings by other reputable suppliers shows that the normal market value of the seedlings is $4,000, instead of $10,000. For the purpose of calculating the 70 per cent test, the amount of $4,000 is therefore substituted for the $10,000 amount of DFE. The amount of participant contributions is not affected by this substitution, and neither is the NPV of those contributions.

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[9] Refer to paragraph 125 of this practice statement for documentation requirements.

Carrying out the NPV calculation[10]

77. The EM at paragraph 8.44 states:

> The amount spent on DFE over the life of the project will be determined in net present value terms. Net present value is a way of converting past and future costs into today's dollars. Discounting is the technique used to make the conversion. Discounting recognises that a dollar today is not worth the same as a dollar in the future because (even in the absence of inflation) today's dollar can be invested.

78. The NPV is the sum of all present values that have been or will be paid. Present values are calculated by discounting future amounts at an appropriate discount rate. For the purposes of Division 394, the discount rate is the yield on Commonwealth Government Securities that are Treasury bonds with a maturity closest to 10 years (as published by the Reserve Bank of Australia). The forestry manager should use the current quoted rate as a proxy for the rate on 30 June.

Calculating NPV for past amounts

79. As per subsection 394-35(4), for the purposes of calculating the NPV of an amount paid on or before the day on which the 70 per cent DFE rule is calculated, the amount is to be treated as having been paid on 30 June in the income year in which the amount was actually paid.

80. Present value calculations for past amounts are carried out by multiplying the amount by the compounded discount rate. The general formula for calculating the present value of a past amount is:

$$PV = P(1+r)^T$$

Where:

- PV: present value at the current time, time t=M
- P: the amount of payment made in the past, time t=0.
- r: discount rate for the appropriate period (in this instance 'period' = 'year')
- T: number of periods between time t=0 and time t=M

Calculating NPV for future amounts

81. As per subsection 394-35(5) for the purposes of calculating the NPV of an amount expected to be paid after the day on which the 70 per cent DFE rule is calculated, the amount is to be treated as having been paid on 1 January in the income year in which the amount was actually paid.

82. Present value calculations for future amounts are carried out by dividing the amount by the compounded discount rate. The general formula for calculating the present value of a future amount is:

$$PV = P/(1+r)^T$$

[10] In relation to NPV amounts, staff should ensure that the formula used to perform such calculations is correct, particularly when spreadsheet programs have been used to perform the calculations such as Microsoft Excel.

Where:

- PV: present value at the current time, time t=0
- P: the amount of payment made in the future, time t=M
- r: discount rate for appropriate period
- T: number of periods between time t=0 and time t=M

83. As per subsection 394-35(2) the amount of DFE under the scheme is the *sum* of the PVs that the forestry manager has paid (that is past amounts) or will pay (that is future amounts) under the scheme. This is the numerator in the 70 per cent DFE rule calculation.

84. Subsection 394-35(3) further provides that the amount of contributions under the scheme is the *sum* of the PVs of all amounts that the participants in the scheme have paid (that is past amounts) or will pay (that is future amounts) under the scheme. This is the denominator in the 70 per cent DFE rule calculation.

Example 11

85. Example 8.5 in the EM has been reproduced as it provides guidance on the activities of employees that are direct forestry activities. It states:

> On 30 June 2008, a scheme manager is seeking to establish the net present value of future expenditure. The manager consults the *Indicative Mid Rates of Selected Commonwealth Securities* as published by the Reserve Bank of Australia for that day. According to the Reserve Bank, a Treasury Fixed Coupon Bond with a yield of 5.910 per cent will mature in February 2017 and another with a yield of 5.880 per cent will mature in March 2019. No other bonds with a longer maturity are listed. The bond maturing in March 2019 should be chosen as it has the maturity closest to 10 years.

86. *Example 12*

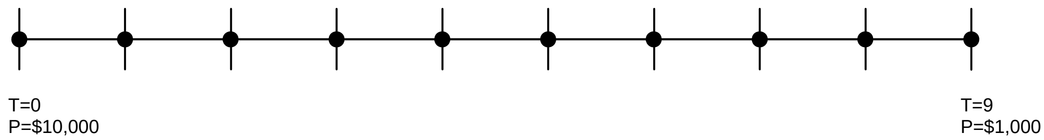
The following example has been based on scenario 2 of Example 8.6 in the EM and provides guidance to staff in relation to a NPV calculation that passes the 70 per cent DFE rule.

In year 1, a participant acquires a one hectare interest in a 10 year plantation for \$10,000 and holds their interest until harvest. Of this amount, \$7,000 is used by the forestry manager as DFE, also in year 1.

In year 10, the participant pays a further \$1,000 in fees and the forestry manager pays \$700 in DFE.

The discount rate used to calculate the NPV of the project's future expenditure is the interest rate on Commonwealth Government Securities that are Treasury bonds with a maturity closest to 10 years. On 1 January that rate is 7 per cent.

To calculate the NPV of the participant's contributions at the time the initial investment is made (current year, time t=0), the present values of the contributions occurring in each year must be discounted individually and then aggregated.



The initial payment of $10,000 does not need to be discounted as it occurs in the base year for which we are trying to determine the present value (that is, at time t=0).

To discount the $1,000 that occurs in year 10, the number of periods between the base year t=0 and year 10 must be determined. As per paragraph 81 of this practice statement, the $1,000 is taken to have been paid on January 1 of year 10.

Since each period represents a standard income year (that is, 1 July–30 June) there will always be (M-1) time periods between times t=0 and t=M. Therefore, the $1,000 payment must be discounted with reference to 9 time periods.

The present value of $1,000 in year 10 is $\$1{,}000 / (1.07)^9$ which equals $543.93.

The NPV of the participant's contributions in first year terms is $10,544, calculated as NPV of $10,000 at year 0 and $1,000 in year 10:

$$10{,}000 + 543.93 = \$10{,}543.93$$

The NPV of the forestry manager's DFE is $7,381, calculated as NPV of $7,000 at year 0 and $700 in year 10:

$$7{,}000 + 700 / (1.07)^9 = \$7{,}381$$

The 70 per cent DFE rule is passed as:

$$7{,}381 / 10{,}544 = 70\%$$

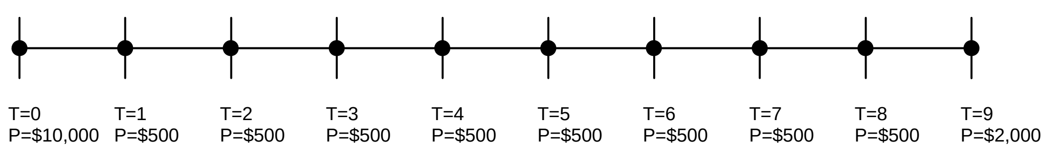
87. *Example 13*

The following example has been based on scenario 4 of Example 8.6 in the EM and provides guidance to staff on a NPV calculation that fails the 70 per cent DFE rule.

In year 1, a participant acquires a one hectare interest in a 10 year plantation for $10,000 and holds their interest until harvest. In years 2 to 9 the participant pays $500 in fees. In year 10 the participant pays $2,000 in fees.

The discount rate is 7 per cent.

The participant's total contribution in nominal terms is $16,000.



The initial payment of $10,000 does not need to be discounted. The subsequent payments, as in Example 12, are deemed to occur at 1 January of each income year, so there will be (M-1) time periods between times t=0 and t=M.

The NPV of this amount is $14,074, calculated as NPV (10,000 t=0; $500 t=2….9; $2,000 t=10):

$$10{,}000 + 500 / (1.07)^1 + 500 / (1.07)^2 + 500 / (1.07)^3 + 500 / (1.07)^4 + 500 / (1.07)^5 + 500 / (1.07)^6 + 500 / (1.07)^7 + 500 / (1.07)^8 + 2{,}000 / (1.07)^9 = \$14{,}074.$$

The forestry manager outlays $5,000 of the initial $10,000 participant contribution. In years 2 to 9, the forestry manager's expenditure on DFE is $300 per annum and in year 10 expenditure on DFE is $1,000.

The forestry manager's total DFE in nominal terms is $8,400. The NPV of this amount is $7,335, calculated as:

$$5{,}000 / (1.07)^0 + 300 / (1.07)^1 + 300 / (1.07)^2 + 300 / (1.07)^3 + 300 / (1.07)^4 + 300 / (1.07)^5 + 300 / (1.07)^6 + 300 / (1.07)^7 + 300 / (1.07)^8 + 1{,}000 / (1.07)^9 = \$7{,}335.$$

The 70 per cent DFE rule is failed as:

$$7{,}335 / 14{,}074 = 52\%$$

Specific interest in land

88. An initial participant of a forestry MIS could qualify for the Division 394 deduction without holding a specific interest in a particular plot of land.

89. The 'notional use of land' inclusion within the DFE definition at paragraph 394-45(1)(b) allows for a proportional interest in an aggregate holding of land. It allows the inclusion of actual or notional amounts for the use of the proportion of land applicable to the participants' share of the total project investment.

Example 14

90. The following example provides guidance to staff on this point.

In January 2008, Jennifer invests in a forestry project offered by Primary Bluegums Ltd. The project is a forestry MIS and has received a product ruling from the Tax Office confirming that deductions are allowable to initial participants under section 394-10. Under the scheme, initial participants are required to pay for one or more forestry interests. A forestry interest gives the investor a right to receive a proportional share of the net proceeds at the termination of the forestry MIS. Jennifer is not required to enter into a sublease nor is she allocated any specific allotments. Her rights to share proportionally in the net proceeds of the forestry MIS only require that she holds one or more forestry interests in the forestry MIS.

18 month establishment rule[11]

91. Subsection 394-10(4) provides that the trees intended to be established in accordance with the scheme must all be established in the ground in Australia within 18 months of the end of the income year when an amount was first paid under the scheme by a participant.

[11] Refer to paragraphs 126 to 129 of this practice statement for documentation requirements.

92. The term ‘established’ is not defined for the purposes of Division 394. However the EM at paragraph 8.27 states that the concept of ‘establishing’ a plantation includes ‘planting, coppicing and grafting activities and other methods of plant propagation that result in a forest being established’.

93. In paragraph 8.27 the EM explains that the acquisition of an immature forest does not come within the establishment of a plantation.

94. Paragraph 8.28 of the EM provides that site preparation necessary to establish trees and enable them to survive is included in establishment. Therefore, these costs as they relate to the scheme would be included in DFE.

95. As stated in Taxation Determination TD 2006/46, the term ‘establish’ in the context of the establishment of a horticultural plant, is to plant it in its long-term growing medium. Therefore, in order to satisfy the 18 month establishment rule, the trees must be planted in a permanent manner in the ground.

96. In relation to this, paragraph 8.21 of the EM provides that should the trees not be planted within 18 months, then the participant’s deduction may be denied, in addition to potentially applying the promoter penalty provisions against the forestry manager.

‘Failure to establish’ notification form

97. Section 394-10 of Schedule to the TAA requires, the forestry manager to give the Commissioner a statement of reasons why the 18 month establishment rule was not satisfied. The statement must be in the approved form and must be given to the Commissioner within three months after the end of the 18 month period. This form is called a ‘failure to establish’ notification form.

98. The information provided in the ‘failure to establish’ form should contain sufficient information for the Commissioner to determine whether any action should be taken in relation to the forestry manager and/or participants in the forestry MIS for failing to satisfy the 18 month establishment rule.

99. In the course of other activities, including conformance audits for product rulings issued, situations where the 18 month establishment rule is not met for a forestry project may be identified. In such cases, forestry managers should provide:

- the name of the scheme
- information relating to the identity of the forestry manager (or associate)
- information relating to the circumstances that gave rise to the 18 month establishment rule under subsection 394-10(4) not being satisfied, and
- information relating to the reasons why a notification form was not provided, as specified in section 394-10, once the 18 month establishment rule was not satisfied.

100. This information should be of a nature sufficient for the Commissioner to determine whether any action should be taken in relation to the forestry manager and/or participants in the forestry MIS for failing to satisfy the 18 month establishment rule and the failure by the forestry manager to provide the ‘failure to establish’ notification form.

101. As a general guide, the Commissioner would be satisfied if the forestry manager provided the following explanations as reasons for failing to adhere to the 18 month establishment rule:

- a reasonable mistake on the forestry manager's behalf in the management, arrangement or promotion of a forestry MIS, that sufficiently impedes the establishment of the forestry MIS
- an act or default of another entity (other than of the forestry manager), that sufficiently impedes the establishment of the forestry MIS, and
- an accident or some other cause beyond the forestry manager's control, that sufficiently impedes the establishment of the forestry MIS.

102. For each of the above explanations, the forestry manager must show that they did not fail to take reasonable precautions and exercise due diligence to prevent such acts from impeding the establishment of the forestry MIS.

4 year holding period

103. In order for a participant to qualify for the Division 394 deduction, as per subsections 394-15(5) and 394-10(5) respectively, they must obtain the relevant forestry interest from the forestry manager and hold that interest under the scheme for four years from the end of the income year in which they first paid an amount under the scheme.

104. Subsection 394-10(5) denies deductions by an initial participant for contributions made under a forestry MIS if a CGT event happens in relation to the interests within four years after the end of the income year in which they first paid an amount under the scheme (that is, if the initial participant sells their interest in the forestry MIS).

105. As per subsection 394-25(2) where a CGT event happens in relation to the interests within four years, but the initial participant still holds the interests after the event, the initial participant's assessable income for the income year in which the CGT event happens will include the decrease (if any) in the market value of the interests as a result of the CGT event.

106. Consistent with the approach taken under CGT provisions and outlined in paragraph 9.34 of the EM an initial participant is taken to dispose of their interests under a forestry MIS at the time of entering into an agreement for disposal.

107. Subsection 394-10(6) provides that an initial participant's assessment(s) may be amended within two years of the end of the income year in which the investor disposed of the interests, where the interest is disposed of within 4 years.

'Initial Contributions' notification form

108. The forestry manager is required by section 394-5 of Schedule 1 to the TAA to give the Commissioner information about amounts paid or payable under the scheme by participants where the scheme satisfies the 70 per cent DFE rule.

109. Subsection 394-5(4) of Schedule 1 to the TAA provides that without limiting the information required in the statement, the approved form requires forestry managers to provide:

- the name of the scheme
- information relating to the identity of the forestry manager (or associate), and
- information about the amounts paid or payable under the scheme by participants.

Documentation to support product ruling application

110. As previously stated the Commissioner's information and documentation requirements are set out in the Application Checklist. Without limiting the extent of documentation that may be required, the following provides a guide to the document requirements supporting claims made in Division 394.

111. Where expert information is not provided or does not exist, staff should consider the degree to which that expert information would be material to the outcome of the relevant tests in Division 394 before deciding that it is appropriate for them to request that information from the forestry manager.

Documentation required for the reasonable expectation test

112. The forestry manager should supply the following information in support of the reasonable expectation test:

- a sufficiently detailed description of the expected nature, amount and timing of classes of past and projected expenditure, including independent valuation reports where they exist
- a sufficiently detailed description of the experts who authored those reports (such as forestry experts and valuers), including their commercial experience in their relevant fields, the nature of the services provided and a copy of their engagement letter, and
- a sufficiently detailed description of how the evidence supports the forestry manager's conclusion that the required reasonable expectation exists at test time.

113. The more significant a class of expenditure, the more impact it will have upon the outcome of the reasonable expectation test. Therefore, for higher value classes of expenditure, we would expect more detail to be contained in the information supplied by the forestry manager in support of the reasonable expectation test.

114. Where the class of expenditure is too wide, additional detail of the components may be requested.

115. When insufficient documentation is provided to support an amount, additional valuation reports and supporting documentation may be requested.

Documentation required to determine DFE – general

116. The forestry manager should supply the following information in relation to the amounts claimed as DFE:

- a detailed description of each class of expenditure that is claimed to be DFE
- an explanation of how each class of expenditure meets the definition of DFE in section 394-45, and
- each class of DFE to be categorised as either a notional or an actual amount of expenditure (see below).

117. Where the projected future costs used in the NPV calculation differs materially from the current value of the same services, or use of land, an explanation of the reasons for the difference should be sought.

Documentation – actual amounts

118. The forestry manager should supply the following information in respect of DFE that is paid, or will be paid, under the scheme:

- where it is known, the date the expenditure was paid
- where it is known, the name of the supplier or contractor that supplied the goods or services or that is expected to supply the goods or services
- whether the supplier is, or is expected to be an associated entity, an independent contractor or an independent supplier
- where the expenditure is an amount that is attributable to more than one scheme, how the amount has been allocated across different schemes (past, current, future) and how the amount was apportioned, including the provision of calculations
- where the expenditure relates to the acquisition of a depreciating asset with an effective life in excess of the duration of the project, how the amount has been apportioned between this project and the period of effective life outside the duration of the project, including relevant calculations, and
- documentary evidence held that is available to verify the actual expenditure.

119. Where an item of DFE is provided under a contract with an entity that is not an associate of the forestry manager, the documentation should include:

- a copy of the contract
- any additional or supplementary documentation relating to the contract, that shows how and when services under the contract will be delivered. This should include such details as time lines, work schedules, and subcontracts, and
- where the contract is not yet in place for goods or services that are to be provided under the contract, a statement to that effect and an estimate of when such a contract is likely to be executed.

Documentation – notional amounts

120. The forestry manager should supply the following information in respect of notional DFE under the scheme:

- any documentary evidence that is expected to be available to support the determination of notional expenditure
- a detailed explanation of how the market value of each item was determined
- where the market value of the notional expenditure is an amount that is attributable to more than one scheme, show how the amount will be allocated across the different schemes (past, current and future) and how it was calculated, including the provision of calculations
- where the market value of the notional expenditure is an amount for the use of land, supply any supporting documentation provided by a qualified land valuer including the letter of engagement where it exists. Where the services of a qualified land valuer have not been used to determine the market value for the use of the land, an explanation detailing why the engagement of a qualified land valuer was not considered necessary, and a detailed explanation of the alternate methodology used to determine the notional value of the land, and
- where the market value of the notional expenditure is an amount for transportation and handling of felled trees, state by reference to paragraph 394-45(4)(a), the point to which the notional amount has been calculated, and the details of any assumptions made for the purposes of the calculation, such as volume of timber expected to be harvested, average kilometres, cost per kilometre, etcetera.

121. Where an item of DFE has been, or will be provided by an internal division of the forestry manager or by an associated entity of the forestry manager, then the following information should be supplied (in addition to the information required in relation to non-arm's length market value pricing discussed at paragraph 125 of this practice statement):

- working papers setting out how the amount was determined including details of the component that represents profit by the internal division, and
- any other documentation that is relevant to determining the character, amount and timing of the item of expenditure. This will include such things as time lines, work schedules, and subcontracts with arm's length suppliers.

122. Where an item of DFE relates to plant or equipment already held by the forestry manager, documentation should include either:

- a copy of the invoice(s) showing the date of purchase, the purchase price and whom the plant or equipment was purchased from, or
- a copy of the appropriate extract from the forestry manager's asset register or depreciation schedule.

123. Where the projected costs of goods, services or use of land may be explained by reference to expenditure currently being incurred by the forestry manager or their associates, the forestry manager should supply evidence of this expenditure.

Documentation required for NPV calculation

124. The forestry manager should provide the following documentation about the NPV calculation:

- an explanation of how the NPV of each item of DFE has been calculated, including the provision of the relevant worksheets and formulas
- a detailed description of each amount paid or payable under the scheme by each participant who holds an interest in the scheme, outlining what each amount was paid for
- the sum of the NPV of each amount paid or payable under the scheme by each participant
- how the sum of the NPV of each amount paid or payable under the scheme by each participant has been determined, including the provision of the relevant calculations, and
- the income year in which each amount was paid or is payable under the scheme by each participant.

Documentation required – non-arm's length pricing

125. The forestry manager should provide the following documentation regarding the potential application of the arm's length pricing rule:

- details about any dealings in relation to DFE over the life of the project that are not, or may not be, at arm's length
- details of the variation between the actual or notional amounts that all such dealings have or may have had on the market value of those items of DFE over the life of the project, and
- details of how the arm's length principle was applied in determining amounts for goods and/or services and for the use of land where the transaction is internally generated or is between one or more associated entities.

Documentation required for 18 month establishment rule

126. Where the forestry manager has requested a product ruling they must provide sufficient documentation to show that the 18 month establishment rule in subsection 394-10(4) can be satisfied. Where this is not the case a product ruling will not be issued, and the steps set out for circumstances where the Commissioner refuses to rule on an application as set out in Product Ruling PR 2007/71 will be followed.

127. Without limiting the information and documentation that is required by the Application Checklist, the forestry manager should provide the following information:

- documentation in relation to establishing all the trees under the scheme (including the variety of trees to be established, number of trees to be established, time of planting, type of planting, location of proposed woodlots, suitability of proposed woodlots for that species of tree, and activities to be undertaken to support establishment)

- explanation of methods by which plants will be established in the ground (that is, through planting, coppicing, grafting or other methods of propagation), and
- documentation to demonstrate that seedlings have been sourced and/or can be obtained and planted in the ground in their permanent position within the establishment period.

Documentation – other identification of failure to meet the 18 month establishment rule

128. In the course of other activities, including conformance audits for product rulings issued, situations where the 18 month establishment rule is not met for a forestry project may be identified. In such cases enquiries should be made to identify:

- information relating to the circumstances that gave rise to the 18 month establishment rule under subsection 394-10(4) not being satisfied, and
- information relating to the reasons why a notification form was not provided as specified in section 394-10 of Schedule 1 to the TAA once the 18 month establishment rule was not satisfied.

129. The information obtained by such enquiries should be sufficient for the Commissioner to determine whether any action should be taken in relation to the forestry manager and/or participants in the forestry MIS for the failure to satisfy the 18 month establishment rule and the failure by the forestry manager to provide the 'failure to establish' notification form.

Amendment history

Date of amendment	Part	Comment
12 June 2013	Contact details	Updated.
1 July 2011	Contact details	Updated.
6 August 2008	Contact details	Updated.

Subject references	DFE 70 per cent DFE rule Direct forestry expenditure Forestry MIS Managed investment schemes MIS Reasonable expectation Market value substitution rule 18 month establishment rule 4 year holding period
Legislative references	ITAA 1997 15-46 ITAA 1997 Div 35 ITAA 1997 Div 152 ITAA 1997 Div 394 ITAA 1997 394-5 ITAA 1997 394-10 ITAA 1997 394-10(1)(b) ITAA 1997 394-10(4) ITAA 1997 394-10(5) ITAA 1997 394-10(6) ITAA 1997 394-15(1) ITAA 1997 394-15(2) ITAA 1997 394-15(4) ITAA 1997 394-15(5) ITAA 1997 394-25(2) ITAA 1997 394-35 ITAA 1997 394-35(1) ITAA 1997 394-35(2) ITAA 1997 394-35(3) ITAA 1997 394-35(4) ITAA 1997 394-35(5) ITAA 1997 394-35(8) ITAA 1997 394-40 ITAA 1997 394-45 ITAA 1997 394-45(1) ITAA 1997 394-45(1)(b) ITAA 1997 394-45(2) ITAA 1997 394-45(2)(b) ITAA 1997 394-45(2)(c) ITAA 1997 394-45(3) ITAA 1997 394-45(3)(b) ITAA 1997 394-45(3)(e) ITAA 1997 394-45(3)(i) ITAA 1997 394-45(4) ITAA 1997 394-45(4)(a) ITAA 1997 394-45(4)(b) TAA 1953 Sch 1 Div 290 TAA 1953 Sch 1 290-50(2) TAA 1953 Sch 1 394-5 TAA 1953 Sch 1 394-5(4) TAA 1953 Sch 1 394-10
Related public rulings	TR 94/4; TR 97/20; TR 2001/14; TR 2003/3; TR 2007/6;

	TD 2006/46; PR 2007/71; GSTR 2000/7
Related practice statements	PS LA 1998/1; PS LA 2006/2
Other references	Tax Laws Amendment (2007 Measures No. 3) Bill 2007 Explanatory Memorandum to the Tax Laws Amendment (2007 Measures No. 3) Bill 2007
File references	07/12826
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Other Business Lines consulted	All